

DD/A Registry

File Travel

25 October 1974

MEMORANDUM FOR: Deputy Director for Intelligence  
Deputy Director for Operations  
Deputy Director for Science and Technology  
Administrative Officer, Office of the DCI

SUBJECT : First Class Travel

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1. [ ] states, in part, that only Deputy Directors, plus one single senior subordinate, may approve the use of first class air accommodations.

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2. When such authorizations are made will you please ensure that the travel order states that the determination to approve the first class air accommodation is based on [ ]

3. Currently issued blanket travel orders will not have to be amended to include the above regulatory citation, but it should be contained in future authorizations.

4. In those cases where individual travel orders are being issued authorizing first class air accommodation because of physical condition of the traveler, it is expected that the approving authority will, if appropriate, seek an opinion from the Office of Medical Services.

Signed: John F. Blake

John F. Blake  
Deputy Director  
for  
Administration

JFB:fb

Distribution:

- 1 - Each Addressee
- 1 - D/F
- 1 - SSA/DDA
- ① - DDA Subject
- 1 - DDA Chrono
- 1 - JFB Chrono

MORI/CDF Pages 1,3,4,10,11,12,23,24,and 25

Approved For Release 2006/05/09 : CIA-RDP84-00780R006200110001-3

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Approved For Release 2006/05/09 : CIA-RDP84-00780R006200110001-3

~~ADMINISTRATIVE-INTERNAL USE ONLY~~

14 August 1974

MEMORANDUM FOR THE RECORD

SUBJECT: First Class Air Travel

1. In line with my responsibility to discuss with the Director any Audit Staff recommendations which have not been accepted by the component concerned, I raised with the DCI this morning the above subject, referring specifically to three documents:

(a) Audit Report, Agency Travel System, 3 October 1973;

(b) Memo to Chief, Audit Staff, Same Subject, from Director of Finance, 2 November 1973;

(c) Memo to Chief, Audit Staff, Same Subject, from Chairman, Travel Policy Committee, 11 April 1974.

2. Although not necessarily in this order we discussed:

(a) Use of DCI's special authority for administrative purposes;

(b) DCI's view on a tight audit and tight certifying policy;

(c) Change of regulation to require that those approving first class air travel specify the basis for the authorization under

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(d) Use of blanket first class orders.

3. His reactions clearly were these:

(a) He is aware of a residual feeling in the Agency, especially among older officers, that we need not follow government rules and regulations (and our own) to a T, often relying rather vaguely on the DCI's special authority, and said very pointedly that such authority was not to be used for administrative matters but only for clearly defined operational purposes.

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REF  
(1)

(b) He is a strong supporter of the view that certifying officers and auditors should insist on running a tight ship, with the objective of establishing a CIA record in these respects equal to that of the best in the government.

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(c) He favored a change of regulation to require that the individual approving first class air travel under [redacted] specify the basis. He first questioned whether a change in regulation was necessary but then agreed when I pointed out that in my view: (1) the past record showed that the approving officer would not do it unless required to do so and (2) it was not the certifying officer's responsibility to provide the basis for the authorization and being junior to the approving officer he usually was reluctant to question the omission.

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(d) He agreed that a First Class Blanket Air Travel Authorization seemed incompatible with the objectives of [redacted]

4. I did not raise the question of OMS certification, feeling that in those cases where health was a problem, an approving officer might reasonably be expected to ask the advice of OMS, particularly when he now had to specify a basis for authorizing the travel.

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[redacted]  
Donald F. Chamberlain  
Inspector General

cc: DDM&S  
Director of Finance  
Chief, Audit Staff

Talking Points Re First Class Air Travel Authorizations

1. We are not in a position to affirm the allegation of finance/certifying officer complaints concerning authorizing officer's failures to identify reasons for authorizing first class air travel. It is always possible, of course, that finance personnel may have raised such questions even though regulations do not require that reasons be provided. The question of whether the Director of Finance does or does not agree in a case basis actions taken by careerists is not a factor in whether the recommended changes in regulations should be made. There is no reason under the current regulations that any certifying officer should feel "on the spot" in certifying a voucher for first class air travel authorized or approved by a Deputy Director or his authorized designee.

2. The Federal Travel Regs clearly do not require that a specific justification for the use of first class air be stated either on the travel order or travel voucher. Those regulations even recognize that officials responsible for approving travel may not be able to anticipate circumstances which may arise which would necessitate use of first class accommodations and provides that for audit purposes the traveler's justification in such circumstances should be considered conclusive.

3. The Travel Policy Committee which coordinates on travel regulations on behalf of each of the Directorates opposed the Audit recommendation that Agency regulations be

revised to specify qualifying reasons for authorization for use of first class air travel. The TPC position was based on the premise that the inclusion of a reason or reasons would add no substance to the authorization and because in principle ~~it is not considered necessary or appropriate to go behind~~ the decision of an official duly empowered to make a particular decision.

4. As a matter of practice authorizing officials are not and as a matter of principle should not be required to support approval actions with definitive reasons for the action. Authorizing officials are charged throughout the travel regulations with responsibility for basing judgements on "advantage to the Government", without in any case there being a requirement or in practice any expectation that the basis for such decisions be documented. For example  cites a number of factors which should be considered in authorizing use of a POV as advantageous to the Government, e.g., "more expedient transaction of public business, economy, and effectiveness of employee performance as well as other advantages or disadvantages to the Government would be considered in each case."

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5. It is believed the restrictive authorization level for first class travel limits utilization of such travel more effectively than would a policy permitting lower level of authorization, whether or not the regulations were also revised to require a specific justifying reason for first class travel.

6. The Agency travel voucher form could readily be modified to provide reason blocks setting forth the language of [REDACTED] respectively, which could be checked when first class travel is authorized by a Deputy Director or his designee. It seems rather obvious that this would be nothing but boiler plate and following the line of reasoning under discussion could in time lead to recommendations for definitive descriptions on a case basis of the particular inadequacy in the standards of sanitation, health or comfort which justified the use of first class accommodations, etc.

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TRAVEL

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- (b) **Parlor car and coach accommodations.** One seat in a sleeping or parlor car will be allowed unless the travel order or other administrative determination specifies that coach accommodations be used. Where adequate coach accommodations are available, officials authorizing travel will take steps to see that coach accommodations are used to the maximum extent possible, on the basis of advantage to the Government, suitability and convenience to the traveler, and nature of the business involved.

## (2) SHIPS

- (a) **Minimum First-Class Accommodations on Ships.** To be considered "first-class," the accommodation must provide direct access from within the stateroom to wash basin, shower or bath, and toilet.
- (b) **Cabin or Tourist Class Accommodations on Ships.** If a traveler elects to travel in cabin or tourist class, he will not be limited to the minimum rate applicable to the lower class utilized but will be entitled to the cost of the accommodations actually used.

b. **AIRPLANES.** Each authorized traveler regardless of age is allowed a seat on an airplane.

- (1) **USE OF ACCOMMODATIONS COSTING LESS THAN FIRST CLASS.** Except as provided in subparagraph (2) immediately below, accommodations costing less than first class will be used for travel.

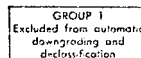
(2) **USE OF FIRST-CLASS ACCOMMODATIONS.** First-class accommodations may be authorized or approved in the following circumstances:

- (a) There is no space available in less than first-class accommodations in time to carry out the purpose of travel in which case the authorizing official will specifically authorize the use of first-class accommodations in the travel authorization or by specific approval on the travel voucher.
- (b) A Deputy Director determines (1) that less than first-class accommodations on flights abroad do not provide adequate standards of sanitation, health, or comfort; or (2) that the mission to be performed or the physical condition of the traveler requires the use of first-class accommodations. Deputy Directors may not delegate this authority except to a single senior subordinate.
- (c) There is no scheduled less than first-class service available between points of authorized travel. A statement by the traveler to this effect will be *prima facie* evidence for audit purposes.
- (d) If first-class service must be used because of schedule changes, grounding of planes, or other circumstances beyond the control of the traveler while en route, certification by the traveler concerning the circumstances will be sufficient.
- (e) The cost of first-class accommodations offered by a commercial air carrier does not exceed the charge for less than first-class accommodations offered by any other commercial air carrier for regularly scheduled flights between the same points.

c. **OPERATIONAL REQUIREMENTS.** Regardless of the provisions of subparagraphs 11a and b above, use of a compartment or other accommodations required for operational purposes may be authorized or approved.

Revised: 19 March 1968 (377)

SECRET



19



DDA Subject

*Ticket w/ RB*

DDA 74-3861

7 OCT 1974

**MEMORANDUM FOR: Inspector General**

**SUBJECT : First Class Air Travel**

**REFERENCES : (a) Memo for the Record by the IG dated  
14 August 1974**

**(b) Report of Audit, Agency Travel System  
1 January 1972 - 31 May 1973**

1. While I appreciate receiving a copy of your Memorandum for the Record of 14 August 1974 concerning your discussions with the DCI on the subject of first class air travel, I feel strongly that this subject warrants further attention prior to any action being taken on the recommendations made by the Audit Staff in the referenced Report of Audit.

2. Before going into the specifics relating to the audit recommendations, I think it is important for us to divorce from our consideration of their recommendations the subject of the DCI's special authorities and abuses thereof. While there may indeed be a residual feeling among some officers in the Agency that we need not follow some Government rules and regulations to absolute compliance, there is no evidence that this feeling has been applied in any significant degree to the subject of authorizing or approving first class air travel. On the contrary, the Agency's record in the establishment and implementation of policy and procedures relating to this specific subject can best be described as conservative.

3. Addressing the subject of first class travel in terms of normal Government policies, procedures and implementation, one finds that there are, in essence, only three basic requirements for permitting first class travel:

a. First class travel must be authorized in advance by a duly appointed travel authorizing official; or

b. Travelers who in the course of their journey encounter circumstances which necessitate use of first class accommodations must indicate what these circumstances were on their travel voucher; and

c. Authorizing officials or the traveler must restrict the use of first class travel to five specified instances.

4. When existing Agency travel regulations pertaining to first class travel were promulgated, management was well aware that this might be an area which could lead to abuse. Therefore, in CIA the authorizing level for first class travel was placed at the unusually high level of a Deputy Director or a single senior subordinate. Clearly, this was a recognition on the part of management of its responsibility for precluding abuses. In the ensuing years the regulatory requirements have been strictly followed (although there undoubtedly have been some instances where the traveler who changes to first class in the course of his journey has not initially adequately noted on his voucher the reason therefor).

5. As regards the specific recommendation of the Audit Staff that the senior officials designated to authorize first class travel be required to stipulate specifically why they are so doing, we believe this requirement is not only demeaning but also would result in little of any real significance as regards either certification or audit. These officers authorize and approve financial transactions of far greater significance throughout their working day for which no written justification is required. The determination if first class travel is necessary is purely judgmental, and we have placed the decision in the hands of those best qualified to render such a judgment.

6. The recommendation that any first class travel authorized because of the physical condition of the traveler be coordinated with OMS is, in our opinion, both unnecessary and infeasible. Once again the judgment of the authorizing official should prevail and we feel confident that in those instances where the physical condition of

the traveler might be questionable that these officers would seek professional advice in the normal course of their decision making.

7. In sum, it is my opinion that the existing regulations pertaining to first class travel are entirely consistent with the letter and intent of standard Government policy and procedures and do not require the changes recommended by the Audit Staff.

8. Speaking to a broader issue, I believe that this particular problem of first class travel and the discussions and papers which have resulted point out a procedure which I find bothersome. Because of the nature of the issue, it is of primary concern to the DDA; yet I feel that the manner in which it has been handled escalated it to the highest management levels of the Agency before the DDA had an opportunity to present his case thoroughly. I would hope that you and I could discuss this matter at an early date so as to agree on procedures for the future which would preclude such matters being presented to the DCI prior to full exchanges between the IG and the deputy director concerned.

/s/ John F. Blake

John F. Blake  
Deputy Director  
for  
Administration

cc: Director of Finance  
Chief, Audit Staff

AC-DDA [redacted] (3 Oct 74)  
Distribution.

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Original - Addressee

- 1 - cc Director of Finance
- 1 - cc Chief, Audit Staff
- 1 - DDA Subject w/Orig of Basic (DDA 74-3776)
- 1 - DDA Chrono
- 1 - HGB Chrono

☒ UNCLASSIFIED☐ INTERNAL  
USE ONLY☐ CONFIDENTIAL☐ SECRET**ROUTING AND RECORD SHEET**

SUBJECT: (Optional)

FROM:

EXTENSION

NO.

Inspector General

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

DDA

CC - D/DF 10/10/74

4:45 10/17/74

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7 October 1974

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : First Class Air Travel

REFERENCE : Your Memo. of today, 7 October 1974

1. Perhaps a discussion between us later this week will be useful but I thought you should know in advance that I disagree with much of what you have said. After reviewing your comments I still stick to the recommendations in my memo of 14 August 1974.

2. I don't think it would be demeaning at all for those who approve first class air travel to specify the reason, following the intent of the regulation. It seems to me this is the crux of the audit/finance problem. Incidentally, the Audit Staff made this review because of an accumulation of complaints from finance/certifying officers. Despite the fact that the Director of Finance doesn't agree with his own people, they are the ones who feel caught in the bind. When no reason is specified by the senior officials designated to authorize first class air travel, the junior finance officer is on the spot in having to certify the authorization. A few referrals by them have been met with "no G-D junior officer is going to question my judgment." I don't think its a question of judgment, its a matter of following the regulation. Don't forget that by GAO regulations a finance officer is financially responsible for expenditures which he certifies.

3. I guess where we come apart is your para 3a, which I feel is incomplete. Added to it should be - "when he determines (1) that less than first-class accommodations on flights abroad do not provide adequate standards of sanitation, health, or comfort; or (2) that the mission to be performed or the physical condition of the traveler requires the use of first-class accommodations." Since the designated official has to make this determination, why is it demeaning for him to note  on the travel order and/or travel voucher?

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4. Re the larger question of referring items to the DCI, we frequently do <sup>not</sup> ~~do~~. But the procedure does specify that when a disagreement exists between Chief, Audit Staff and the component concerned, the matter is supposed to be referred to the DCI by the IG for decision. This matter had been underway for some months. Audit had received unsatisfactory replies from the Director of Finance and from the Chairman of the Travel Committee. When [redacted] and I discussed the matter, it didn't seem worthwhile going back to Finance with it. Frank proposed that I discuss it with the DDM&S but when I saw your initials on the Finance memo routing sheet I felt my next step should be to take it up with the DCI.

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5. I will admit it was a rather minor item and perhaps I would not again bring a similar matter to the DCI's attention without further negotiations. I had been, however, looking for an example to bring before the DCI to find out his views on:

- use of his special authority for administrative matters
- strict or loose observance of our rules and regulations

While I am willing to make major efforts to get things settled at a lower than DCI level, I certainly cannot commit myself to never bring matters to his attention which come up through the Audit or Inspection Staffs, when I feel no reasonable progress has been achieved. However, in the year plus that I have been IG, very few matters of this nature have been called to the DCI's attention. This procedure should not be confused with formal appeals to the DCI or IG which more often than not will go to the DCI for decision rather than to a Deputy Director. Even here, however, many are referred to a Directorate or an Agency Committee at an intermediate stage, and only referred to the DCI when, from an IG viewpoint, a satisfactory answer has not been obtained.

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[redacted]  
Donald F. Chamberlain  
Inspector General

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ADMINISTRATIVE - INTERNAL USE ONLY

DD/A 74-3776

26 SEP 1974

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : First Class Air Travel

REFERENCE : (a) Report of Audit, Agency Travel System  
1 January 1972 - 31 May 1973  
(b) Memo for the Record by the IG dated  
14 August 1974

1. The attachments hereto and the comments below relate to the issue raised in the referent (a) report.

2. There is attached as Tab A the governing portion of the Federal Travel Regulations for use of first class air accommodations. It should be noted there is no language in the regulations requiring that a specific justification for use of first class air be stated either on the travel order or on the travel voucher. On the contrary, the language goes so far as to recognize that officers responsible for approving travel may not be able to anticipate circumstances which may arise which would necessitate use of first class accommodations and provides that for audit purposes the traveler's justification in such circumstances should be considered conclusive. It also seems relevant to note that the Federal Travel Regulations make no specific provision concerning the level of approving officers and that this Agency opted to give substance to achieving the objectives of the restrictive requirements for use of first class air by holding the authorization for such travel for mission, health or comfort reasons to the highest practicable level, i.e., Deputy Directors or, by delegation, a single senior subordinate.

3. There are attached as Tab B, excerpts from an unidentified GAO publication reporting on the results of GAO's examination into the use of first class air travel by the Department of Labor and the National Mediation Board. In the case of Labor, it was reported that there were many instances in which the use of first class air travel had not been authorized in advance or justified on travel claims.

ADMINISTRATIVE - INTERNAL USE ONLY

ADMINISTRATIVE - INTERNAL USE ONLY

SUBJECT: First Class Air Travel

This is a different issue entirely than the question of when travel is authorized in advance whether there should also be a requirement that explicit justification for the authorization be stated. In the case of the National Mediation Board, there is no reference to the prior authorization question; the commentary simply implies that claims where prior authorization was not provided did not contain required justification or explanation for first class air. The further point to be made here is that GAO audit recommendations are only recommendations, and it remains the responsibility of the agency to whom the recommendations are made to determine whether in fact changes in practices are warranted.

STAT



Thomas B. Yale  
Director of Finance

Atts

ADMINISTRATIVE - INTERNAL USE ONLY

May 1973  
1-3.3b - 1-3.3d(3)

FPMR 101-7

b. Train accommodations.

(1) Sleeping car accommodations. When night travel is involved, the lowest first-class sleeping accommodations available shall be allowed. Superior accommodations may be authorized or approved on certification by the traveler in accordance with 1-3.3a. When practicable, through sleeping accommodations shall be obtained if they are more economical to the Government.

(2) Parlor car and coach accommodations. One seat in a sleeping or parlor car shall be allowed unless the travel order or other administrative determination specifies that coach accommodations are to be used. Where adequate coach accommodations are available, officials authorizing travel shall require that coach accommodations are used to the maximum extent possible, on the basis of advantage to the Government, suitability and convenience to the traveler, and nature of the business involved.

c. Steamer accommodations.

(1) Staterooms. The minimum first-class accommodation will be allowed when a stateroom is included in the cost of passage or is a separate charge, except that if one is not available at the time the reservation is made, a superior accommodation may be allowed upon certification, as provided in 1-3.3a. (See also 1-3.6a.) The travel order or other administrative determination may, however, specify the use of an accommodation less costly than the minimum first-class accommodations when suitable for a particular voyage. The term "minimum first-class accommodation" as used in this paragraph means one which provides direct access from within the stateroom to a washbasin, shower or bath, and toilet.

(2) Application for steamer accommodations. Accommodations on steamers shall be applied for at the earliest practicable moment after receipt of the travel order.

d. Airplane accommodations.

(1) Policy. It is the policy of the Government that persons who use commercial air carriers for transportation on official business shall use less-than-first-class accommodations instead of those designated first-class with due regard to efficient conduct of Government business and the travelers' convenience, safety and comfort.

(2) Justification for use of first-class accommodations. In view of this policy, the use of first-class accommodations shall be limited to the following instances:

(a) Regularly scheduled flights between authorized origin and destination points provide only first-class accommodations.

(b) Space is not available in less-than-first-class accommodations in time to carry out the purpose of the travel.

(c) An authorizing officer authorizes or approves the use of first-class accommodations as necessary for the conduct of the mission or for reasons of the traveler's health.

(d) An authorizing officer authorizes or approves the use of first-class accommodations for flights within or between foreign areas because available less costly accommodations do not provide adequate standards of sanitation, health, or comfort.

(e) The cost of first-class accommodations offered by a commercial air carrier does not exceed the charge for less-than-first-class accommodations offered by any other commercial air carrier in connection with their operation of regularly scheduled flights between the same points.

(3) Authorization of airplane accommodations. Officials responsible for approving travel authorizations may not be able to anticipate circumstances which may arise while a person is traveling which necessitate the use of first-class accommodations. In such circumstances, even though the use of first-class accommodations is authorized, the traveler is responsible for using the less costly accommodations when they will meet all reasonable requirements. For audit

May 1973  
1-3.3d(3) - 1-3.6a

FPMR 101-7

purposes, the traveler's judgment in these instances shall be considered conclusive. However, agencies may specify on travel authorizations or other administrative directives that the less costly accommodations be used. In that event, the traveler shall be limited to the type of accommodations specified.

(4) Maximum authorized accommodations. When first-class accommodations are authorized under this paragraph, the lowest first-class accommodations available between the points involved shall be used. Use of superior accommodations may be authorized or approved in accordance with 1-3.3a.

(5) Jet surcharges. Accommodations not designated first-class on jet planes (with or without a surcharge) may be used without specific authorization or approval where the total cost of the transportation including surcharge if any, is less than the lowest first-class air accommodations available between the points involved.

#### 1-3.4. Special fares.

a. Extra-fare planes and trains. Travel by extra-fare planes or trains may be authorized or approved whenever their use is administratively determined to be more advantageous to the Government or is required for reasons of security.

#### b. Reduced rates.

(1) Use of special lower fares. Through fares, special fares, commutation fares, excursion, and reduced-rate round-trip fares shall be used for official travel when it can be determined prior to the start of a trip that any such type of service is practical and economical to the Government. Round-trip tickets shall be secured only when, on the basis of the journey as planned, it is known or can be reasonably anticipated that such tickets will be used.

(2) Group or charter arrangements. Group or charter arrangements available through travel agents may be used when such use will not interfere with the performance of official business. In such instances, if payment for transportation cannot be made to a carrier with a Government transportation request but must be made to the travel agent, the traveler shall pay for the transportation from his own funds or from a travel advance and shall obtain a receipt for the cost of the transportation necessary in the performance of official business which shall accompany his voucher. Reimbursement shall not exceed the cost of accommodations authorized under 1-3.3.

c. Unequal fares available. When common carriers furnish the same method of travel at different fares between the same points for the same type of accommodations, the lowest cost service shall be used unless use of a higher cost service is administratively determined to be more advantageous to the Government.

#### 1-3.5. Unused tickets or reservations.

a. Unused accommodations. When a traveler finds he will not use accommodations which have been reserved for him, he shall release them within the time limits specified by the carriers. Likewise, where transportation service furnished is inferior to that called for by a ticket or where a journey is terminated short of the destination specified on the transportation request, the traveler shall report the facts to the administrative office in the manner prescribed by the agency concerned. Failure of travelers to take such action may subject them to liability for any resulting losses.

b. Unused or oversold reserved accommodations. Each agency shall make certain that space is canceled as soon as the employee learns that space reserved will not be used. Penalty payments made by air carriers under certain provisions of their tariffs for failing to furnish accommodations for confirmed reserved space are due the Government and not the traveler when they result from travel on official business. Each agency shall instruct travelers to turn in to the agency any of these payments received from the carriers.

#### 1-3.6. Use of American carriers.

a. Travel by American ships. Section 901 of the Merchant Marine Act of 1936 (46 U.S.C. 1241(a)) provides: "Any officer or employee of the United States traveling on official

## SECTION I

dertake an evaluation of the conversion rate in accordance with this recommendation, and that the results of such evaluation would be considered by the Commission in future contract negotiations with Metropolitan. (Report to the Congress, B-125004, Feb. 3, 1970)

**179. Impact of Expected Annual Deficits Under Beneficial Association Insurance Operations.**—Under the Civil Service Commission's group life insurance policy covering former members of certain Federal employees' beneficial associations, cash deficits aggregating about \$91 million were expected to occur over the estimated 35-year remaining life of these operations. The Commission had no plans to finance this accumulating deficit, which would reduce the funds that would otherwise be available in the Employees' Life Insurance Fund and also would result in a loss of interest earnings on such funds.

In order for the Commission to be in a position to appraise the impact of these expected deficits on the financial status of the regular insurance program, GAO recommended that the Commission include the deficiency of the beneficial association insurance in its periodic actuarial valuations for the regular insurance.

In March 1970 the Chairman, Civil Service Commission, advised GAO that the Commission would include the beneficial association deficiency as a liability in a valuation which was about to be made to test the sufficiency of the premium level being charged to the employees and the Government. The Chairman stated that the resulting premium would cover such liability. (Report to the Congress, B-125004, Feb. 3, 1970)

### Government-Furnished Housing, Lodging, and Meals

**180. Rental Rates for Employee Housing.**—GAO's survey of the administration of Government-owned employee housing by selected bureaus of the Department of the Interior showed that, although rental rates were generally set in accordance with Bureau of the Budget (BOB) Circular No. A-45, Revised, and the Department's manual, the rates at certain locations covered in the review were not established in accordance with the applicable criteria.

In some cases, isolation deductions from basic rental rates, granted to ameliorate the effect of unusual transportation costs, were established at the maximum amount permitted by the BOB circular rather than at the maximum amount permitted by the departmental

manual, which was lower. In other cases, the isolation deductions were excessive because the nearest established community offering minimum acceptable services was not used as the base community for calculating the deductions, as required by the circular.

The Department advised GAO that it agreed with these findings and had taken action to have the isolation deductions for the involved locations recomputed and the rental rates for the housing units revised accordingly. (Report to the Secretary of the Interior, B-114868, Mar. 2, 1970)

**181. Per Diem Rate When Lodging Is Furnished.**—From September 1967 through August 1968, the Department of Justice did not reduce the per diem rate for certain deputy U.S. marshals on a temporary assignment although the rate should have been reduced because lodging was furnished by the Government. As a result these deputy marshals were overpaid about \$32,000.

Department officials agreed that the rate paid was not in accordance with the Standardized Government Travel Regulations or the regulations of the Department and stated that action had been taken to reduce the per diem rate paid to deputy marshals on temporary duty assignments when meals and/or lodging are furnished by the Government.

GAO suggested that, in addition to recovering the overpayments, the Department should review temporary assignments of other deputy marshals to ascertain whether overpayments had been made where meals and/or lodging were furnished by the Government. (Report to the Attorney General, June 10, 1970)

### Travel Advances and Allowances

**182. Use of First-Class Air Travel.**—GAO's examination into the use of first-class air travel by Department of Labor employees indicated a need for strengthening administrative procedures to insure compliance with the Standardized Government Travel Regulations and applicable departmental regulations. In many instances, the use of first-class air travel had not been authorized in advance or justified on travel vouchers. Accordingly, GAO recommended that the Department reemphasize to its officials and other employees the need for compliance with regulations concerning the justification and approval of first-class air accommodations. (Report to the Assistant Secretary for Administration, Department of Labor, May 25, 1970)

TAB  
8

SECRET

# AUDIT STAFF REPORT OF AUDIT

This report presents the findings developed from an audit undertaken pursuant to Audit Staff responsibilities and authorities set forth in organization regulations. Unless otherwise indicated in the report, the audit included review and appraisal of internal controls and procedures and such other audit processes, test checks and verification of accounts, assets and transactions as were considered appropriate and consistent with generally accepted audit standards in the circumstances.

The objectives of the audit were to determine for management whether

- (1) Adequate controls and procedures have been established and are being applied effectively to safeguard organization resources and assure that resources are used only for approved and legal purposes, and
- (2) Activities are being conducted economically, efficiently and in conformance with policy determinations and directives.

Agency Travel System

For the period:

From 1 January 1972

25X1

Through 31 May 1973

Chief, Audit Staff

Date 3 OCT 1973

This report consists of 4 page(s).

25X1

E2 IMPDET

SECRET

REPORT OF AUDIT  
Agency Travel System

For the Period  
1 January 1972 - 31 May 1973

GENERAL

1. The Central Travel Branch (CTB), Certification and Liaison Division, Office of Finance is the central point where travel claims and related expenses are uniformly reviewed and processed for all staff and contract employees. Commuted travel expenses and agent travel claims are reviewed and processed by the traveler's component. Effective 1 August 1973 the Agency instituted commuted travel rates for travel from the field to Headquarters. Previously commuted rates covered only travel from Headquarters to the field. Travel claims for DDS&T components OSA, OD&E, OEL, and SPS are reviewed and processed by OSA. These components are the subject of separate reports of audit.

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AUDIT OBSERVATIONS AND RECOMMENDATIONS

3. Travel vouchers processed by CTB were reviewed on a random test basis to determine uniform compliance with the policies, procedures, and controls applicable to Agency travel. CTB is generally effective in performing its function; however, Agency administrative procedures which govern the use of first-class air accommodations and the rate of per diem for extended temporary duty (TDY) need to be strengthened. Also,

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there is no general ledger control account for Government Transportation Requests (GTR's) on hand. Minor observations were discussed with officials concerned and satisfactorily resolved during the audit. Our recommendations for the Agency Travel Policy Committee and the Office of Finance are discussed below.

#### First-Class Air Accommodations

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4. In many instances the necessity for the use of first-class air accommodations was not adequately justified on either the travel order or travel voucher. [redacted] and Federal Travel Regulations allow for the use of first-class air accommodations under certain circumstances; however, if an adequate explanation of the circumstances necessitating the use of first-class air accommodations is not included on the travel order and/or travel voucher, certifying officers and auditors are precluded from effectively reviewing the voucher. In this connection [redacted] requires that financial transactions be documented in a manner which will satisfy certifying officers and generally accepted accounting practices.

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5. In several instances first-class accommodations were authorized because of the physical condition of the traveler, but there was no evidence of coordination with the Office of Medical Services (OMS). These authorizations should be approved by OMS.

#### Recommendations for the Agency Travel Policy Committee

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a. Amend Agency travel regulations to require that specific justification for the use of first-class air accommodations, as stated in [redacted] be included on the travel order and/or travel voucher.

b. Amend Agency travel regulations to require that justification for the use of first-class accommodations because of the traveler's physical condition be approved by OMS.

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c. Reemphasize to the appropriate officials the need for compliance with regulations concerning the justification and approval of first-class air accommodations.

Rates of Per Diem for Extended Foreign TDY

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6. In connection with a travel order for an extended period of TDY, Agency regulation [redacted] requires the authorizing official to consider whether circumstances warrant a reduction in the rate of per diem after a two month stay at a TDY location. Federal Travel Regulations, from which our regulation is derived, state that per diem rates should be reduced when employees incur lower costs due to extended periods of TDY.

7. CTB officials indicated there have been very few instances of reductions in per diem for extended periods of foreign TDY in the past year. Our review of 34 travel vouchers for extended periods of foreign TDY disclosed only one instance of a reduction in the rate of per diem and in only two instances was there an indication that a reduction in the rate of per diem was considered. The lack of explanation on the remaining 31 vouchers precluded an effective review by either the certifying officer or the auditor.

Recommendation for the Agency Travel Policy Committee

Amend Agency travel regulations to require that the travel order or travel voucher related to an extended period of TDY provide for a reduction of the rate of per diem after the first two months or contain a statement by the authorizing official explaining why a reduction is not considered appropriate.

Administrative Control of GTR's

8. CTB is responsible for the administrative control and safekeeping of GTR's issued to the Agency. Manual records

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maintained by CTB indicate that they are currently accountable for 2,920 GTR's, of which 2,435 are on hand and 485 have been issued to other Agency components. These manual records are the only Agency control of GTR's. Current procedures do not provide that receipts and issues of GTR's be processed through the Agency's formal system of accounts; therefore, the propriety of the manual records cannot be readily determined.

Recommendation for the Office of Finance

Establish a general ledger control account for GTR's similar to that provided for Accounts 7309 and 7310, Travelers' and Bank Cashiers' Checks Held on Consignment. This would provide effective control of the GTR's within the Agency's accounting system.